



## **IRISH LIFE INVESTMENT MANAGERS (ILIM)**

### ***The week that was – WEEK 34 (ending 21/08/2015)***

**“ You are beaten, yes, but you're not defeated. ” – Eamon O’Shea, Tipperary Hurling Manager**

**Irish economic recovery driven by just 40% of firms** – According to a new Q2 report by the Intertrade Ireland business monitor, Ireland's economic recovery is being driven by just 40% of firms here, with manufacturing and business services the two biggest growth sectors with larger firms growing the most.

**Speculation mounts ECB will extend monetary stimulus** – Reduced expectations for euro-area inflation are adding fuel to speculation that the European Central Bank may come under pressure to extend its monetary easing initiative. ECB officials are scheduled to hold their next policy meeting on September 3.

**Greek PM Tsipras steps down and calls elections** – In a televised address to the nation, Mr Alexis Tsipras defended his government's negotiating tactics and said Greece got the best debt deal possible. He will submit his resignation to the country's president and elections will be held within a month with Sep 20 likely.

**Wall Street falls for the fourth straight day** - Financial markets around the world have had a torrid time this week including the U.S. market which fell for the fourth day running. Worries about the health of the global economy, weak inflation, lower oil prices and China's currency devaluation effects were to the fore this week.

**U.S. oil prices headed for 8<sup>th</sup> consecutive week of falls** – U.S oil prices had their longest losing streak since 1986 with eighth consecutive week of falls after a sharp drop in Chinese manufacturing increased worries over the health of the world's biggest energy consumer as domestic and export demand dwindled.

**Japanese department store sales continue to rise** – The Japan Department Stores Association reported that sales in Japanese department stores jumped 3.4% in July from a year ago on the heels of a 0.4% gain in June. It was the fourth consecutive month of rising sales and early data so far indicate the trend is continuing.

**The Story of the week:** A Polish and a German treasure hunter have claimed they have found a Nazi gold train in the Walbrzych region in Poland. The apparent find matched reports in local folklore of a train carrying gold and gems that went missing at the end of World War Two. The men are claiming 10% of the value of the train's contents.

#### **DISCLOSURE:-**

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## Index Performances and Market Data\*

<b>Equity Markets (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD (to 20/08)</b>
ISEQ Overall Return	-0.1	2.6	20.5	35.8	16.8	24.3
FTSE 100 TR	12.6	-2.2	10.0	18.7	0.7	-0.2
Euro Stoxx 50 TR	-2.8	-14.1	18.1	21.5	4.0	8.8
S&P 500 TR	15.1	2.1	16.0	32.4	13.7	0.2
Nasdaq Composite	16.9	-1.8	15.9	38.3	13.4	3.0
Nikkei 225	-3.0	-17.3	22.9	56.7	7.1	14.8
MSCI Emerging Markets	11.7	-14.9	13.9	0.9	2.6	-6.6
MSCI World	7.8	-7.6	13.1	26.2	7.7	1.2
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
US	3.3	1.9	1.7	3.0	2.2	2.0
German	3.0	1.8	1.4	1.9	0.5	0.6
UK	3.4	2.0	1.9	3.0	1.9	1.7
Japan	1.1	1.0	0.7	0.7	0.3	0.4
Ireland	9.1	8.4	4.5	3.4	1.3	1.3
Italy	4.8	7.1	4.6	4.1	2.1	1.8
Greece	12.5	31.7	12.7	8.2	9.6	9.2
Portugal	6.6	13.4	6.9	6.1	2.7	2.6
Spain	5.5	5.1	5.4	4.1	1.6	2.0
<b>Central Bank Rates (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
<b>Foreign Exchange Rates</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.14
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.72
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.57
<b>IPD All Property Return (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
Ireland	-2.4	-2.4	3.1	12.7	40.1	4.3 (Q 1)
UK	14.5	8.1	2.7	10.7	17.8	2.9 (Q 1)
US	14.8	14.5	5.3	11.4	11.2	3.1 (Q 1)

\*Past performance is not a reliable guide to future performance